

---

**Finance Committee**

---

**HB 1315**

**Brief Description:** Authorizing the disclosure of information related to real estate excise taxes.

**Sponsors:** Representatives Tom, Clibborn, Jarrett, Hunter, Priest, Lantz, Conway, Rodne, Orcutt and Linville.

**Brief Summary of Bill**

- Exempts from confidentiality requirements any information in the possession of the Department of Revenue regarding real estate excise tax.

**Hearing Date:** 2/2/05

**Staff:** Bob Longman (786-7139).

**Background:**

The real estate excise tax is imposed on each sale of real property. The state tax rate is 1.28 percent. Additional local rates are allowed. The combined state and local rate in most areas is 1.78 percent or less. The highest rate is 2.78 percent in the City of Friday Harbor.

The real estate excise tax applies when a sale occurs. A sale is defined as any transfer of the ownership of or title to real property, or any transfer of a controlling interest in a corporation or other entity that owns real property. A controlling interest is 50 percent or more of the voting power of the stock of a corporation, or 50 percent or more of capital, profits, or beneficial interest in a partnership, association, trust, or other entity.

Several exemptions are allowed from the real estate excise tax, including gifts, inheritances, and transfers to a corporation or partnership that is wholly owned by the transferor, the transferor's spouse, or the transferor's children.

When real property is transferred by deed, the tax is paid at the time the deed is recorded in the county records and the tax is collected by the county treasurer. The county treasurer distributes the tax revenue to the state and local jurisdictions imposing the tax. When the control of real property is transferred via a change in the controlling interest in a corporation or other entity, real estate excise tax is paid to the Department of Revenue, which distributes the local share of tax revenue to the appropriate jurisdictions.

When real estate excise tax is paid to the county treasurer, the amount of tax paid and information relating to the transaction are part of the public record. In contrast, excise tax information

received from taxpayers by the Department of Revenue is generally protected by confidentiality requirements. The information cannot be disclosed to the public, except as part of statistical reports that do not reveal the identity of a particular taxpayer or transaction.

**Summary of Bill:**

Information in the possession of the Department of Revenue regarding real estate excise tax is not confidential. This bill is identical to SHB 2574 (2004), which was reported out of the Finance Committee.

**Appropriation:** None.

**Fiscal Note:** Requested on January 20, 2005.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.